

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 MANILA 08363 121138Z

43

ACTION EA-14

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEAE-00

OMB-01 SWF-02 DRC-01 /181 W
----- 098117

R 121031Z JUL 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5188

INFO USMISSION GENEVA

LIMITED OFFICIAL USE MANILA 8363

E.O. 11652: N/A

TAGS: EGEN, EFIN, ETRD, RP, US

SUBJECT: PHILIPPINE ECONOMIC NEGOTIATIONS

1. JULY 11 NEGOTIATING SESSION OPENED AT 3:00 P.M.
WITH VEGA AND ARNOLD CHAIRING RESPECTIVE PANELS.
PRIOR TO FORMAL OPENING OF SESSION ARNOLD INFORMED
VEGA HE WOULD WELCOME EARLY TERMINATION OF SESSION
IN ORDER TO BID FAREWELL DEPARTING COMMERCIAL ATTACHE.

2. VEGA BEGAN PRESENTATION BY DELIVERING PHILIPPINE
LIST OF CONCESSIONS SOUGHT ON GSP BASIS, INDICATING
THAT GSP CONCESSIONS WERE PRINCIPAL GOP INTEREST IN
TRADE FIELD. VEGA ADDED THAT, IN ABSENCE OF SOME
INDICATION U.S. COULD PROVIDE ASSURANCES OF ADVANCE
IMPLEMENTATION OF GSP CONCESSIONS TO PHILIPPINES, GOP
ANTICIPATED FURTHER NEGOTIATIONS AT THIS TIME WOULD NOT
BE LIKELY TO PROVIDE CONSTRUCTIVE RESULTS.

3. ARNOLD AGAIN INFORMED PHILIPPINE PANEL THAT U.S.
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 MANILA 08363 121138Z

MUST IN THESE NEGOTIATIONS DEAL WITH TRADE MATTERS
PRIMARILY IN A MFN FRAMEWORK AND THAT U.S. COULD MAKE

NO COMMITMENTS REGARDING GSP PRODUCT COVERAGE. ARNOLD ALSO NOTED IMPORTANCE TO OVERALL NEGOTIATIONS OF INVESTMENT AND OTHER NON-TRADE MATTERS. ARNOLD CONCLUDED THAT IN VIEW OF U.S. PANEL FURTHER NEGOTIATIONS OF POTENTIAL BENEFIT TO INTEREST OF BOTH COUNTRIES WERE POSSIBLE, BUT THAT U.S. DID NOT HAVE LEGISLATIVE AUTHORITY TO PROCEED ON BASIS GOP DESIRED.

4. CHAIRMEN AGREED TO TERMINATE SESSION AFTER AN HOUR AND TO MEET AGAIN AT 3:00 P.M. ON JULY 12.

5. AT JULY 12 MEETING U.S. CHAIRMAN READ INTO RECORD STATEMENT OFFERING U.S. VIEWS AS TO THE RELATIVE MERITS OF GSP AND MFN CONCESSIONS SO THAT THE PHILIPPINE PANEL WOULD HAVE THE BENEFIT OF FULL UNDERSTANDING OF THE U.S. POSITION.

6. VEGA REPLIED THAT WHILE HE APPRECIATED RECEIVING THE U.S. STATEMENT, THE PHILIPPINE APPROACH WAS TO OBTAIN AS MUCH AS POSSIBLE VIA GSP ROUTE. WHAT WAS NOT POSSIBLE TO OBTAIN UNDER GSP THEY WOULD SEEK IN THE MTN. TO NEGOTIATE NOW ON A MFN BASIS, VEGA SAID WOULD UNDERMINE THE GOP APPROACH.

7. IN REPLY ARNOLD INDICATED THAT WE HAD WANTED TO MAKE CERTAIN THAT THE PHILIPPINE PANEL CLEARLY UNDERSTOOD THE VALUE, PARTICULARLY IN TERMS OF ADVANCE IMPLEMENTATION, WHICH WE BELIEVED MFN TARIFF CUTS COULD HOLD FOR THE PHILIPPINES.

8. ARNOLD THEN HANDED OVER PAPERS GIVING INITIAL U.S. PANEL OBSERVATIONS ON DRAFT SUBMISSIONS BY THE RP PANEL ON:

- A. SCIENTIFIC AND TECHNICAL COOPERATION;
 - B. COOPERATION IN COPING WITH ACUTE SHORTAGES OF ENERGY, FOOD, AND FERTILIZERS;
 - C. SHIPMENT IN RP CARRIERS OF US GOODS FINANCED BY USG FINANCIAL INSTITUTIONS;
 - D. SUGAR QUOTA;
 - E. RE-EXPORTS; AND
- LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 MANILA 08363 121138Z

F. INDUSTIRAL COOPERATION
ARNOLD ALSO HANDED OVER US TRADE REQUEST LISTS ON AGRICULTURAL AND INDUSTRIAL PRODUCTS.

9. IN PRIVATE CONVERSATION PHILIPPINE CHAIRMAN OBSERVED THAT PHILS HAD MAJOR PROBLEMS WITH ONLY A FEW SECTORS OF U.S. DRAFT AND WITH RETAIL TRADE, NON-DISCRIMINATION, COMPENSATION FOR PROPERTY TAKEN AND NEW LIMITATIONS. HE SUGGESTED THAT THE DISCUSSIONS ADJOURN FOR THE WEEKEND SO THAT THE PHILIPPINE PANEL

COULD CONSULT WITH THEIR PRINCIPALS.

10. NEXT MEETING OF TECHNICAL PANELS NOW SET FOR
MONDAY, JULY 15 IMMEDIATELY FOLLOWING LUNCHEON TO BE
HOSTED BY U.S. PANEL. SECRETARY VIRATA HAS INVITED
MEMBERS OF BOTH PANELS FOR DINNER SUNDAY.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, NEGOTIATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA08363
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740186-0958
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740754/aaaabyd.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2002 by boyleja>; APPROVED <26 FEB 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PHILIPPINE ECONOMIC NEGOTIATIONS
TAGS: EGEN, EFIN, ETRD, RP, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005